

Episode 54

Practical and Literary Endeavours Towards Eradicating Interest

Since childhood, I would observe my respected father (may his secret be sanctified) not only detesting and shunning the interest-based system of banking, he would also endeavour towards ridding it of interest. For this, he held several meetings with the late Chaudhary Muhammad Ali, who was the finance minister at that time (and later also became the Prime Minister). The late Mr Chaudhary prepared a report of these meetings, which was written in English and I had seen it in my respected father's (may Allah have mercy on him) documents during my childhood. However, I could not find it later despite searching for it. Afterwards, one time during my initial days of teaching at Darul Uloom, the Auditor General of the time, Mr Yaqoob Shah, contacted my respected father regarding this issue and presented his doubts. My respected father (may Allah have mercy on him) replied to those doubts and then referred him to me for further discussions. I had meetings with him in April 1963, and afterwards we also communicated by correspondence. During that time, when I got the chance to study the teachings of the Quran and Sunnah regarding interest in some detail, I realized that after *Shirk* (polytheism), there was no other sin for which the Quran and Sunnah used sterner words than for interest. What could be a greater warning than a declaration of war from Allah and His messenger ﷺ for the person who does not desist from interest? And in the Hadith, consuming interest has been declared a worse sin than, may Allah Most High protect us, committing adultery with one's mother. On the other hand, when looking at the real world, it appeared that the entire system of economy was based on interest. Due to this state of affairs, a restlessness kindled in the heart, but a youthful student of knowledge had no means to change this system.

At the same time, after the meetings and correspondence with Mr Yaqoob Shah, I realized that the modern-educated segment of society was under the misunderstanding that the interest prevalent in present-day banks did not fall under the definition of the *ribā* that the Noble Quran had declared impermissible. Numerous individuals had written books on this topic, among which a book by Mr Jafar Shah Phulwarvi "*Commercial Interest Kī Shar'ī Haithiyyat*" (Sharia Status of

Commercial Interest) and some other essays passed my eyes which declared bank interest as permissible. Only two books had been published in reply to them at that time; one was the late Maulana Maududi's book "*Sūd*" (Interest) and the other was my respected father's (may Allah have mercy on him) book "*Mas'ala Sūd*" (The Issue of Interest). I read books in support of both sides of the argument, and felt the need to elucidate upon the reality of especially commercial interest. I thus wrote an article on "Commercial Interest" and my respected father (may Allah have mercy on him) included it as part two of his book. I wrote this article at the age of about twenty.

Afterwards, a project titled "Encyclopaedia of Islam" was started under the auspices of the Urdu Academy, supervised by the late Dr Syed Abdullah. This project consisted of not only translating the English Encyclopaedia of Islam, but also removing the misconceptions on Islamic topics propagated by Orientalists. Thus, new articles were being prepared for this. Dr Syed Abdullah requested my respected father (may Allah have mercy on him) to write an essay on the topic of "*Riba*". My respected father (may Allah have mercy on him) assigned this task to me. I observed that Orientalists and their like-minded individuals had created grave misunderstandings with respect to the definition, etc. of interest. I thus tried to remove those misunderstandings through the detailed essay, and that essay is now part of "Urdu Encyclopaedia of Islam". (Later Dr Syed Abdullah made me write several other articles as well. The essays under the title "*Talāq*" ("Divorce") and "*Kāfir*" (Disbeliever) were written by me.)

Thereafter when Hadhrat Maulana Mufti Mahmood (may Allah have mercy on him) became the Chief Minister of NWFP province (present-day Khyber-Pakhtunkhwa), a prospect arose in the form of him perhaps beginning something in this direction on a governmental level. I thus requested him to establish an interest-free bank in at least his province, but he soon resigned from his post and could not get a chance for this.

The Council of Islamic Ideology was revived in 1977 and I also joined it as a member together with Hadhrat Maulana Sayyid Muhammad Yusuf Binnori (may Allah have mercy on him). At that time, the priorities of its activities were decided in the very first meeting, and among the highest-priority tasks was the preparation of a comprehensive report on "Interest-free Banking". To this

end, the Council drafted a panel of scholars and economists which was chaired by the late Dr Zia-ud-din, former Deputy Governor of the State Bank. This panel drafted the report within a short duration and presented it to the Council. The Council reviewed it from a *fiqh* point of view and proposed some amendments to it, after which the report was sent to the government. This was the first comprehensive report on this topic and the late President Muhammad Zia-ul-haq also issued orders to act on it, but unfortunately, during the phase of its practical implementation, bureaucrats badly disfigured it. In objection to this, I wrote several essays, issued newspaper statements and also directly apprised President Zia-ul-haq of its mistakes. In response to this protest, the government formed a commission headed by the Governor of the State Bank, of which I was also a member.

This matter required deliberation on numerous fiqh-related issues. Also, there were once again some positive signs heralding the potential implementation of an interest-free system of economy on a governmental level. Thus, at my request, a meeting of “*Majlis Tahqīq Masā’il Ḥāḍirah*” was convened in which the following individuals took part:

Hadhrat Mufti Rasheed Ahmad, Hadhrat Maulana Mufti Abdul Shakoor Tirmidhi, Hadhrat Maulana Mufti Muhammad Wajeeh, Hadhrat Maulana Dr Abdul Wahid.

Hadhrat Maulana Mufti Rasheed Ahmad (may Allah have mercy on him) published the minutes of this meeting in “*Ahsanul Fatawa*”. Various efforts were made based on the action points concluded during that meeting, but the oft-changing rulers kept them in cold storages and none of the endeavours could be fully successful at a governmental level.

It was perhaps 1986 when one day I was sitting in my office when suddenly Mr Nabeel Naseef, the paternal cousin of Mr Abdullah Umar Naseef, the Secretary-General of the Organization of Islamic Cooperation, came to meet me in my office. He informed that Prince Muhammad bin Saud has founded an interest-free bank by the name of “*Maṣraf Faysal al-Islāmi*”, with headquarters in Bahrain, and Mr Nabeel Naseef was its Managing Director. A “*Hay’ah al-Raqābah al-Shar’iyyah*” (Shariah Supervisory Board) had been formed to oversee the bank’s dealings from a Shariah point of view, which was headed by Shaykh Yusuf al-Qaradawi, with Saudi Arabia’s

Shaykh Abdullah bin Manea and another scholar from Bahrain as its members. Mr Nabeel Naseef told me: “I am bringing a message from Shaykh Yusuf Qaradawi and Prince Muhammad bin Saud that you should also accept to be a member of this Board. A branch of this bank will be opened in Pakistan as well, and all of its operations shall take place based on your instructions”.

On the one hand, this offer kindled a ray of hope in the heart; some signs of the fulfilment of the desire that the heart had been cherishing since years upon years, i.e. the existence of at least one financial organization that is free from interest, were appearing. At the same time, I had some idea of the difficulties involved in this work and was not confident if I would be able to perform it correctly. Finally, after contemplating this matter and consulting others, I accepted this offer with the thought that I would at least get a chance to work on this to the best of my ability.

After the Islamic Fiqh Academy, this was the second international organization in which I received a chance to be a part of. After becoming a member of this organization, I travelled to Bahrain for the very first time on 30th March 1987 (circa 29 Rajab 1407) to take part in its meeting. At that time, I was not aware about the basic principles on which this bank functioned. During my time working in the Council of Islamic Ideology, I had understood that there were a few business models that could be employed for interest-free banking. Without going into technical details, the ideal business model was for the bank to collect moneys from the people based on the principles of Mudarabah and to also provide capital to entrepreneurs on the basis of Mudarabah itself. A second business model was to collect moneys from the people based on Mudarabah, but if it were difficult to conduct Mudarabah in other dealings, to conduct those dealings on the basis of Murabaha, Ijarah or Bay' Salam, etc. This second business model is such that if it is used according to all of its fiqh-based conditions, a permissible way of avoiding interest is certainly found. When I examined the business model of Faysal Bank, they had sufficed with this second method alone, i.e. a major portion of its business was conducted based on Murabaha Mu'ajjala. However, there were insufficient Murabaha-based business opportunities as compared to the amounts that people had given to the bank on the basis of Mudarabah. As such, in order to make this capital profit-bearing, they had to invest a large amount of money into a currency-exchange business whose permissibility from Shariah point of view was doubtful. In the very first session

of the meeting itself, I stated that there was a need to verify that the conditions for Murabaha that the Shariah Board had outlined were being followed correctly. To this end, Shaykh Yusuf Qaradawi assigned me the task of examining these things, and it was decided that I should arrive in Bahrain some time before the next session and examine the entire process, and to present a report to the Board if there were any weaknesses in the implementation of the process. This first meeting was concluded with this decision.

After the meeting of the Shariah Board, a talk by Shaykh Yusuf Qaradawi had been announced for after isha in the famous Abu Bakr Mosque of Bahrain. Shaykh Qaradawi said to me: "Come along with me". I thus went with him. A large crowd had gathered in the mosque when the event started. Suddenly Shaykh Qaradawi said to me: "You deliver a speech first". I tried to excuse myself with the words: "The entire crowd has gathered here to listen to your talk. A talk by a non-Arab like myself at this moment would be quite out of place". But Shaykh did not accept this, and eventually I had to fulfil his request. This was my first time delivering a talk in Arabic in a public gathering in an Arab country. I supplicated to Allah in the heart and presented some of the teachings of my elders to the best of my ability. I was surprised as well as pleased that people listened to my words with attention. Thereafter the talk of Shaykh Yusuf Qaradawi took place. Writing words of praise for his way of speech is redundant and utterly unnecessary, but the truth is that he mentioned very useful points on the topic of *taqwa* which benefited me a lot. May Allah recompense him the best of rewards.

This was my very first visit to Bahrain. The next day was thus spent in some sightseeing and visits to bookstores, besides attending the meeting, and I also received a chance to deliver a talk to Pakistanis residing in Bahrain. My return flight was scheduled for the same night.

A peculiar incident occurred that day which I cannot forget. From what I remembered, the return flight was at 10pm. Accordingly, I had to be at the airport by 8pm. With this in mind, I reached the airport at exactly 8pm, but when I arrived at the counter to get the boarding pass, the officer looked at me in surprise and said: "Your flight has already departed". I said: "It was supposed to depart at 10pm". He said: "No! Its departure time was 8pm". He then showed me my ticket which stated the departure time as 20:00. I was not much used to international travel by that time, and

for some reason I understood it to mean 10pm and planned everything accordingly, though it meant 8pm. When I looked closely at the ticket, it was as if the ground had fallen out from beneath my feet and I realized my blunder; I had not tried to understand the meaning of 20:00 more carefully. I asked the counter officer: “Is there any other flight to Karachi tonight?” He informed that there was a late-night indirect flight that had one stopover before reaching Karachi, but that it was fully booked.

Those who drove me to the airport had already left and I had already checked out from the hotel room. The era of mobile phones had not yet arrived, through which I could have contacted someone. I did not even have coins in Bahraini currency to make a phone call from a phone booth, and I only had the phone number of Faysal Bank, which had already closed at night. Thus, even if I were to petition someone to make a phone call for me, it would be useless. In short, darkness descended before my eyes. Even if I were to somehow take a taxi back to the hotel, I did not have enough cash to pay for one night’s rent.

In this state of helplessness, there was no recourse except to plead to Allah Most High. I thus made heartfelt supplication to Him to deliver me from my plight. At that time, the design of Bahrain Airport was old-style and it did not even have sitting facilities. I thus stood in a corner of the airport and continued imploring Allah. Out of the blue, a young Arab staff member of Gulf Air came and said to me: “Shaykh! You appear troubled. What happened?” I recounted my tale to him at which he said: “Hand me your ticket and passport and stay here. I will try my best to resolve your difficulty”. I became sceptical at the thought of handing over my ticket and passport to him, for I would be left absolutely helpless without them. Where would he take them? What if he did not return for too long? Where would I search after him? In that situation, the following sentence from Maqāmāt Harīrī came to mind: *أَنْحَرَمُ وَيُحَكِّ الْقَنْصَ وَالْحِبَالَةَ. وَالْقَبَسَ وَالذُّبَالَ؟* (Shall we be deprived of the catching net as well, along with the captured game? And the wick of the lamp as well, along with its light?)

I thus asked him: “How do you know me?” He read my heart’s doubts from my face and said: “Shaykh! Did you not deliver a speech in Abu Bakr Mosque last night?” I said: “Yes”. He said: “I

am a staff of Gulf Air. I was present in Abu Bakr Mosque last night after isha, and I listened to your talk. I thus recognized you when I saw you here". Saying this, he sat me on a chair and said: "Do not worry. InshaAllah I shall try my best to get you a seat in the next flight. Otherwise, you shall be my guest". In my state of utter helplessness, the young man proved to be an angel from the Unseen for me, and within a short while, he brought the Boarding Pass of the next flight and handed it to me. Thereafter, he continued to render hospitality to me until the plane departed. Even today, whenever I remember the manner in which Allah Most High provided relief from the Unseen for His delinquent slave, each and every hair on the body exudes gratitude to Him. Firstly, getting a seat in the next flight of Gulf Air on the same night is still a conundrum for me. This is because after that incident, I have travelled on Gulf Air flights to Bahrain tens of times, and my experience of years upon years is that there is only a single Gulf Air flight that operates from Bahrain to Karachi. Relatively recently, sometimes two flights also fly, but they operate with a difference of more than twelve hours between them. It has never transpired since that incident for two Gulf Air flights to fly to Karachi within only three or four hours of each other. For two Gulf Air flights to fly to Karachi that day within such a short time interval can only be called an arrangement from the Unseen. On top of that, while now I have many acquaintances in Bahrain, at that time no one knew me except a few individuals. It was thus unimaginable for some acquaintance of mine to be working in Gulf Air. My talk taking place in Abu Bakr Mosque in the presence of Shaykh Yusuf Qaradawi was also an almost impossibility. An employee of Gulf Air being present during that talk was also a God-arranged occurrence. Furthermore, for that employee to be on duty at that time, and to recognize me and express special sympathy for me, and thereafter get my seat confirmed; how could all this occur except through the special favour and grace of Allah Most High? والحمد لله سبحانه.

A godless person attributes these kinds of incidents to mere chance, or at best a lucky coincidence, and moves on. However, for a person who believes that nothing in this world takes place without the supreme wisdom of Allah, there is no such thing as "coincidence". Even apparently unconnected events are part of the chain of Unseen wisdoms, wherein the links between most of the events is beyond our imagination and understanding. We thus declare them

to be unrelated and isolated happenings and move on. And if we sometimes do notice some event to be linked to another, we declared it to be a “coincidence”. However, the Noble Quran says:

وَعِنْدَهُ مَفَاتِيحُ الْغَيْبِ لَا يَعْلَمُهَا إِلَّا هُوَ وَيَعْلَمُ مَا فِي الْبَرِّ وَالْبَحْرِ وَمَا تَسْقُطُ مِنْ وَرَقَةٍ إِلَّا يَعْلَمُهَا وَلَا حَبَّةٌ فِي ظُلُمَاتِ الْأَرْضِ وَلَا رَطْبٌ وَلَا
يَابِسٌ إِلَّا فِي كِتَابٍ مُبِينٍ

“With Him are the keys of the Unseen. No one knows them but He. He knows what is in the land and the sea. No leaf ever falls but that He knows about it, and there is no grain in the dark layers of the earth, or anything fresh or dry that is not recorded in a manifest book”. (Al-An‘ām: 59)

The abovementioned event is just a small incident in which apparently unlinked occurrences combined together, through which Allah Most High’s mercy was expressed on a delinquent slave of His. Someone could ask: “Why was I made to err with respect to the departure time? Why didn’t everything occur at the correct time from the beginning?” But when I ponder over this incident, I learn so many lessons from it which could never be learned if I had reached the airport at the correct departure time.

After reaching Karachi on the 2nd of Shaban 1407 AH, equivalent to the 1st of April 1987, I was scheduled to undertake a long trip to South Africa and Saudi Arabia only two days later. To this end, on the invitation of my friend Mr Shoaib Omar, I departed for Nairobi with my wife and small daughter on the 6th of Shaban, equivalent to 5th April, and experienced Nairobi’s extreme heat for the first time. After spending the night there, I travelled to Durban via Johannesburg, where the stay lasted from the 6th of Shaban to 18th of Shaban. Here, talks were delivered at various locations. A discussion on medical issues, convened by an organization of Muslim doctors, also took place, and several gatherings were held to discuss numerous local issues. Thereafter I left for Nairobi on the 19th of Shaban, and visited Makkah Mukarramah via Jeddah on the 20th of Shaban, where the stay continued until the beginning of Ramadan.

During the stay in Makkah Mukarramah, a one-day conference took place in Jeddah which was jointly convened by the Islamic Development Bank and International Institute of Islamic

Economics, Islamabad. The title of this conference was “Indexation”, i.e. can the payment of loans or debts be linked to price indices in order to compensate for loss due to inflation? One session of the conference took place under my Chairmanship as well, and I presented evidences against this concept. Later, the participants of the conference almost unanimously rejected this concept. I later wrote a detailed article on this which was presented in the Islamic Fiqh Academy under the title “*Aḥkām Al-Awrāq Al-Naqdiyyah*” and was also separately published afterwards, and is now included in Volume 1 of my book “*Buḥūth Fī Qaḍāyā Fiqhiyyah Mu‘āṣirah*”.

Shortly before Ramadan, both of my sons Maulvi Imran Ashraf and Maulvi Hasssan Ashraf (may Allah keep them safe), who were children at that time, also came to Makkah Mukarramah together with their maternal aunt and her husband. I had planned to spend Ramadan in the Haramain Shareefain together with my brief family. To this end, from the 2nd to 10th Ramadan our stay was in Madinah Munawwarah’s Ribat Bukhara, and we arrived in Makkah Mukarramah on the 10th of Ramadan. We stayed there from the 14th to 22nd Ramadan, during which I also participated in the second two-day meeting of Faysal Islamic Bank’s Shariah Board. We returned to Karachi on the 24th of Ramadan.

During the days I was working with Faysal Bank, Pakistan’s former Minister of Information Mr Moazzam Ali had very good relations with Prince Muhammad bin Faysal. He had moved to London during the time I was working with Faysal Bank. Since Muslims did not have any platform for Halal investment there, he had an idea to establish an organization in London named “Ummah Finance Fund” through which Muslims could invest in commercial companies whose business was halal from Shariah point of view. He contacted me with regards to this and expressed his wish to form a brief Shariah Board for this organization which could devise a standard for halal companies and select them based on this standard. Thereafter people could invest in this Fund and the organization could invest the people’s invested moneys in those companies and distribute the profits among the shareholders of the Fund. He asked me to include a scholar from the Arab world with me and to work as “Shariah Advisor” for “Ummah Finance”. I nominated the name of my Egyptian friend Dr Hasan Al-Shafi’i, who had also remained as the Vice Chancellor of Islamabad Islamic University. The two of us thus travelled to London on the 3rd of July 1987 at Mr

Moazzam's invitation. This was my second trip to London. We stayed at Kingston Palace's Hotel Monte Carlo, and our meeting took place in Mr Moazzam's office, which was located near the hotel. The basic skeleton of the fund was devised in this meeting and passed to him, and he was asked to send us details of the companies based on that standard, so that we could screen the companies in which investment would be permissible. He later sent us a long list of companies, of which we selected a large number. However, later on he did not receive sufficient cooperation to further advance the fund, so it could not proceed further.

During this trip to London, the famous British scholar Maulana Yaqoob Ismail Munshi (may his honour increase), who was living in Dewsbury, came to London to meet me, and asked me to accompany him to Dewsbury for one day. He thus took me to Dewsbury in his car. There, he introduced his scholarly works and we also visited the Tablighi Markaz, where a talk by this lowly one took place. We met respected Hafiz Patel (may Allah have mercy on him) there, who was the Ameer of the Markaz. As a result of his heartfelt and sincere struggles, the Dewsbury Markaz had grown remarkably. We also visited Darul Uloom Bury. Thereafter Maulana wished for a talk by this lowly one to take place in Nuneaton as well. We thus travelled there, and the heart was quite pleased to see the efforts of the Muslims.

I had met the General Manager of Saudi Airlines in Geneva, Mr Fazl-e-Rabbi, numerous times at various places, and I appreciated his religious spirit. When he heard about my visit to London, he asked me to make a two-day stop-over in Geneva on my return journey. In compliance to his request, I thus spent two days, 8th and 9th July 1987, in Geneva. Since childhood, the heart was filled with imaginations about the beautiful natural landscapes of Switzerland, and my host took me sightseeing around the city and its suburbs, and especially a Mount Jara which was 4000 feet high. However, I was surprised as to what was so special about those landscapes due to which they were famous the world-over. I later learned, and also personally experienced, that the real beauty of the country begins from other places, such as Zurich, which we did not visit at that time. (I happened to visit it several times afterwards). Thereafter I departed from Geneva, and after a stop-over in Frankfurt, returned home on the night of the 11th of July.